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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington, D. C.

NEWS TIPS ON REGULATORY MARKETING PROGRAMS

Farm producers, consumers, and marketing agencies are all affected by the current expansion of service and regulatory programs to aid in the marketing of farm products.

Administration of regulatory acts on marketing is a responsibility of the Agricultural Marketing Service, in the U. S. Department of Agriculture.

Highlights of the last year are the establishment of mandatory Federal inspection for all poultry products moving in interstate commerce, and a considerable increase in activity under the Packers' and Stockyards Act. Both developments grow out of recent Acts of Congress.

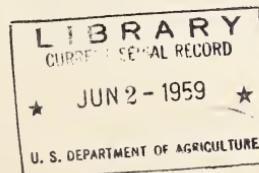
Misbranding of produce has been the particular target of activities during the last year under the Perishable Agricultural Commodities Act; and the program to combat misbranding is being further expanded to include regular terminal market operators of all types, such as service wholesalers, commission merchants, repackers, and other dealers.

Improper labeling of agricultural seeds is one of the practices being corrected under enforcement of the Federal Seed Act. Greater emphasis also is being given to germination studies.

Improvement in the warehousing of farm commodities has been achieved through voluntary widespread adoption of the licensing and inspection provisions of the United States Warehouse Act.

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These regulatory acts are discussed in more detail on the following pages. Other laws which regulate the marketing of farm commodities include Cotton Futures Act, Export Apple and Pear Act, Naval Stores Act, Produce Agency Act, Standard Containers Acts, Tobacco Plant and Seed Exportation Act, and United States Grain Standards Act.

Marketing Agreements and Orders

Marketing agreements and orders have become increasingly popular among producers as a means of establishing and maintaining orderly marketing conditions for milk and other commodities. Ten new milk marketing orders have been established since July 1, 1958, and other orders were amended to expand the areas covered.

The new orders are Des Moines, Iowa; Mississippi Delta; Red River Valley (Texas-Oklahoma); Michigan Upper Peninsula; Northeastern Wisconsin; Western Colorado; Southeastern New England; Mississippi Gulf Coast; Colorado Springs-Pueblo; and Connecticut.

Recent establishment of a tomato marketing agreement for the Lower Rio Grande Valley of Texas brings to 37 the total number of fruit and vegetable marketing agreements in effect.

Marketing agreements and orders are administered under USDA's Agricultural Marketing Service.

Increased consumer interest in graded and inspected products is resulting in wider use of the voluntary inspection and grading programs on agricultural commodities. The Agricultural Marketing Service is responsible for Federal grading and inspection programs, except for the Meat AMS-305

Inspection Program. Many of these service activities are closely related to the regulatory acts.

Poultry Inspection

More than 85 percent of the poultry processed in commercial plants in March 1959 was Federally inspected. This estimate is made by USDA's Agricultural Marketing Service, which directs the poultry inspection program. In March 1958, only 27.5 percent of poultry going through commercial slaughtering plants was inspected.

The increase resulted from provisions of the Poultry Products Inspection Act which requires inspection of all poultry and poultry products moving in interstate commerce. The Act was passed in 1957 and became fully effective January 1, 1959.

The Department has approved about 550 poultry slaughtering and eviscerating plants as meeting compulsory provisions of the Act, and 472 were operating under the Act March 19.

In addition, 140 plants preparing other products which include poultry meat (soups, pies, etc.) are operating under voluntary continuous inspection and must meet the same standards as plants under the compulsory program. These plants, which are temporarily exempted from the continuous inspection provisions, pay the cost of voluntary inspection. Cost of the compulsory program is borne by the Federal Government.

Inspectors employed or supervised by U.S.D.A. examine every bird slaughtered in the approved plants and permit only clean, wholesome products to be passed. They also require that all plants and equipment processing this poultry meet high standards of sanitation.

Perishable Agricultural Commodities Act

Claims amounting to about \$664,000 in wholesale trading on fruits and vegetables were settled amicably under operation of the Perishable Agricultural Commodities Act during the period July 1, 1958, through April 3, 1959. The Act, passed in 1930 to foster fair trading practices on perishable produce, is administered by the Fruit and Vegetable Division of USDA's Agricultural Marketing Service.

PACA prohibits unfair conduct by commission merchants, dealers, and brokers trading in fruits and vegetables. It also requires that persons engaged in these businesses have a license issued by the Secretary of Agriculture. More than 25,000 such licenses were in effect February 28, 1959. The license fee of \$25 is used to help meet expenses of the program.

The AMS Fruit and Vegetable Division took action on 1,624 complaints, mostly in regard to non-payment, during the first nine months of this fiscal year. Most of the complaints were settled amicably and court action was necessary on only five. The Department issued reparation orders calling for payment of \$275,000 on complaints that could not be settled between shippers and dealers.

Packers and Stockyards Act

Posting and registration provisions of the Packers and Stockyards Act are being extended to all livestock marketing in interstate commerce to assure fair trading practices. Previously it applied only to the larger markets.

Amended regulations which will go into effect May 25, 1959, require all dealers, market agencies, and packer buyers to register with USDA under the Act in order to trade in interstate commerce. The Act until now has required registration only of those trading at markets posted (those subject to licensing provisions of the Act.)

Of the 2,400 public livestock markets in the United States, about 2,100 are believed to be subject to the Act as amended. This is about double the number which were subject to the Act prior to the amendment. More than 830 have been posted.

Registrations under the Act to date include 1,984 market agencies and 4,804 livestock dealers. These two groups are bonded for a total of \$49 million.

The business practices of meat packers in interstate commerce are also subject to regulation under the law. Complaints brought against packers in recent months involve unfair practices in the sale of meat and misrepresentation of meat quality.

The Packers and Stockyards Act safeguards farmers and ranchers from marketing practices which would deprive them of the true market value of their livestock and poultry. It protects consumers against unfair business practices in the marketing of meats and poultry. And it protects members of the livestock and poultry marketing and meat industries from unfair, deceptive, or monopolistic practices of competitors..

The Act is administered by the Livestock Division of USDA's Agricultural Marketing Service.

Federal Seed Act

The grower of farm and vegetable crops wants to be sure of the seeds he buys. Purpose of the Federal Seed Act is to help give him that assurance.

More than 14,000 samples of seed shipped in interstate commerce or imported were tested by USDA's Agricultural Marketing Service in carrying out provisions of the Act between July 1, 1958, and March 31, 1959. Tests were made in the Department's seed laboratories at Beltsville, Md.; Minneapolis, Minn.; Sacramento, Calif.; Kansas City, Mo.; Montgomery, Ala.; and New Brunswick, N. J.

The Federal Seed Act regulates the transportation, labeling, and advertising of field crop and vegetable seeds in interstate commerce and the importation of seed into the United States. Imports during the 9-month period amounted to 246 million pounds of agricultural seeds and 1 million pounds of vegetable seeds.

The AMS Grain Division investigated 567 complaints on domestic seeds, mostly in regard to improper labeling, and has taken necessary action to protect seed buyers against fraudulent practices. All of the States cooperate in enforcement of the Federal Seed Act.

United States Warehouse Act

Purpose of the U. S. Warehouse Act is to provide a licensing system and inspection service to improve the warehousing of agricultural commodities. The Act is administered by the Special Services Division of USDA's Agricultural Marketing Service.

The 1,728 warehouse licenses in effect under the Act include the country's largest operators of storage facilities and a substantial part of the total capacity for warehousing farm products.

The Act provides a purely voluntary service which warehouse operators have used to raise the standards for storage. Annual inspection of the licensed warehouses helps to assure farmers and marketers that stored products are being properly handled.

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